

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234
OBRA-93
P.L.103-66

Medical and Remedial
Care and Services
Item 1.D.1.(Contd.)

- b. The Governor must certify to the Secretary of the Department of Health and Human Services that the hospitals' DSH payments in excess of one hundred (100%) percent of the uncompensated costs are used for health services.
- c. The Department of Health and Hospitals, Bureau of Health Services Financing, will issue instructions to affected providers with regard to procedures for payments made under this portion of the State Plan.
- d. Definitions:
 - (1) Public Hospital - a public hospital is one that is owned or operated by a State (or by an instrumentality or a unit of government within a State) as further defined in 1923(g) of the Act.
 - (2) High Disproportionate Share Hospital - The public hospital's:
 - (a) Medicaid inpatient utilization rate (MIUR) is at least one standard deviation above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payments in the state. The statewide mean Medicaid inpatient utilization rate will be calculated based on the latest federal fiscal year in which all cost reports are audited and/or desk reviewed by the audit intermediary. Determination of hospitals qualifying under this provision as a high disproportionate share hospital will be made using the latest filed cost

STATE <u>Louisiana</u>	A
DATE REC'D <u>OCT 03 1994</u>	
DATE APPV'D <u>MAY 11 1995</u>	
DATE EFF <u>JUL 01 1994</u>	
HCFA 179 <u>94-22</u>	

TN# 94-22 Approval Date MAY 11 1995 Effective Date JUL 01 1994
Supersedes
TN# SUPERSEDES: NONE - NEW PAGE

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234
OBRA-93
P.L.103-66

Medical and Remedial
Care and Services
Item 1.D.1.(Contd.)

report prior to July 1, 1994. The hospital's applicable minimum amount (AMA) must be used for health services during the State fiscal year. The AMA is the difference between the amount of the DSH adjustment and the amount of the basic limit (i.e. uncompensated costs as defined below). In determining the cost of health services, against which the AMA is compared, the statute provides that Medicare, Title V, Public Health Service funds and payments by third parties, not including Medicaid are deducted. **OR**

(b) number of Medicaid inpatient days is the largest of any hospital in the state for the state fiscal year ending June 30, 1994. The hospital's applicable minimum amount (AMA) must be used for health services during the State fiscal year. The AMA is the difference between the amount of the DSH adjustment and the amount of the basic limit (i.e. uncompensated costs as defined below). In determining the cost of health services, against which the AMA is compared, the statute provides that Medicare, Title V, Public Health Service funds and payments by third parties, not including Medicaid are deducted.

(3) Uncompensated Cost (i.e. Basic Limit) - Uncompensated cost is the cost of furnishing inpatient and outpatient hospital services net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, private payor payments, and all other inpatient and outpatient payments received from patients. For example: The hospital's actual cost for delivering a baby for a specific patient stay is

STATE <u>Louisiana</u>	A
DATE REC'D <u>OCT 03 1994</u>	
DATE APPV'D <u>MAY 11 1995</u>	
DATE EFF <u>JUL 01 1994</u>	
HCFA 179 <u>94-22</u>	

TN# 94-22 Approval Date MAY 11 1995 Effective Date JUL 01 1994

Supersedes

TN# SUPERSEDES: NONE - NEW PAGE

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234
OBRA-93
P.L.103-66

Medical and Remedial
Care and Services
Item 1.D.1.(Contd.)

\$3000. The patient's insurance covers the service, but only pays \$1000. For this particular patient, the entire \$3000 must be included in the costs associated with patients who have insurance for services provided.

- e. Partial interim payments based on data from the latest filed cost reports as of June 30th of each year for public DSH hospitals utilizing the payment methodology contained herein (Item 1.D.4) will be made according to the following chart:

Cost Reports Rec'd as of	Date Payment Amounts Determined	Payment Period
June 30, 1994	October 1994	10/1/94 - 9/30/95
June 30, 1995	October 1995	10/1/95 - 9/30/96

Final payment will be based on uncompensated cost data per the audited cost report for the period(s) covering the State Fiscal Year (SFY).

- f. Disproportionate share payments cumulative for all DSH payments under all DSH methodologies shall not exceed the Federal disproportionate share State allotment for each Federal fiscal year. The Department shall make necessary downward adjustments to hospitals' DSH payments to remain within the Federal DSH allotment. In the event it is necessary to reduce the amount of disproportionate share payments to remain within the Federal DSH allotment each year, the Department shall calculate a pro rata decrease for each public hospital based on the ratio determined by dividing that hospital's uncompensated cost by the total uncompensated cost for all qualifying public hospitals during the State fiscal year, and then multiplying by the amount of disproportionate

STATE <u>Louisiana</u>	A
DATE REC'D <u>OCT 03 1994</u>	
DATE APPV'D <u>MAY 11 1995</u>	
DATE EFF <u>JUL 01 1994</u>	
HCFA 179 <u>94-22</u>	

TN# 94-22 Approval Date MAY 11 1995 Effective Date JUL 01 1994

Supersedes

TN# SUPERSEDES: NONE - NEW PAGE

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234
OBRA-93
P.L.103-66

Medical and Remedial
Care and Services
Item 1.D.1.(Contd.)

- share payments calculated in excess of the Federal disproportionate share allotment.
- g. If at audit or final settlement the qualifying criteria for disproportionate share adjustment payments are not met or the actual uncompensated costs are determined to be less than the estimated uncompensated costs, appropriate action shall be taken to recover such overpayment.
- h. Hospitals/Units which close or withdraw from the Medicaid program shall become ineligible for further DSH payments.

STATE <u>Louisiana</u>	A
DATE REC'D <u>OCT 03 1994</u>	
DATE APPV'D <u>MAY 11 1995</u>	
DATE EFF <u>JUL 01 1994</u>	
HCFA 179 <u>94-22</u>	

TN# 94-22 Approval Date MAY 11 1995 Effective Date JUL 01 1994
Supersedes
TN# SUPERSEDES: NONE - NEW PAGE

ATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

<u>CITATION</u>	Medical and Remedial	E. Additional Disproportionate Share to Private Hospitals for
42 CFR	Care and Services	Indigent Care (Free Care) - July 1, 1994 and After
447.253	Item 1 (cont'd.)	
OBRA-90		In addition to the six (6) private hospital pools based on Medicaid
P.L.		days described above, the Bureau will continue to reimburse
101-508		qualifying private hospitals (non-public hospitals which meet the
Sections		qualifying criteria in Item 1.D.1. a-e per their latest filed fiscal
4702-4703		year-end cost report as of March 31st of each year) an additional
P.L.		disproportionate share adjustment payment based on the
102-234		hospital's number of indigent care days provided under an
P.L. 103-66		indigent care plan approved by the Bureau.

1. Qualification

Only those non-public disproportionate share hospitals which qualified for DSH payment per the cost report for the year ended during the period April 1 through March 31 of the previous year and which provided indigent inpatient days under an indigent care plan approved by the Department effective within the State fiscal year used as the base for this payment shall be eligible to receive an additional DSH payment for indigent care.

2. Calculation

Qualifying hospitals' total indigent care DSH payment adjustment shall be equal to each hospital's Medicaid per diem equivalent amount, as defined in paragraph E.3.a., multiplied by that hospital's number of indigent care days provided, as defined in paragraph E.3.b.

STATE <u>Louisiana</u>	A
DATE REC'D <u>10-3-94</u>	
DATE APP'D <u>4-15-99</u>	
DATE EFF <u>7-1-94</u>	
HCFA 179 <u>94-033</u>	

TN# 94-033 Approval Date 4-15-99 Effective Date 7-1-94
Supersedes
TN# 94-11

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234

Medical and Remedial
Care and Services
Item 1 (cont'd.)

3. Definitions

a. Medicaid Per Diem Equivalent Amount

The indigent disproportionate share adjustment per diem is equal to each hospital's total Medicaid per diem equivalent amount which will be determined April 1994 and each subsequent April. The Medicaid per diem equivalent amount is the sum of each provider's base Medicaid per diem (interim cost based or prospective, as applicable) plus the provider's Medicaid disproportionate share pool per diem as established according to the Medicaid days disproportionate share pool in which the facility participates.

b. Indigent Care Days Provided

The indigent care payments will be determined based on indigent care days provided within the state fiscal year by each non-public Disproportionate Share Hospital that qualified for DSH payment per the latest filed March 31st fiscal year-end cost report. Qualifying disproportionate share hospitals shall submit documentation of indigent care days provided during the state fiscal year within one hundred twenty (120) days of the end of the state fiscal year in a format specified by the state and shall maintain documentation for all indigent care determinations for the same period Medicaid records for qualification for disproportionate share adjustment are maintained.

STATE <u>Louisiana</u>	A
DATE REC'D <u>10-3-94</u>	
DATE APP'D <u>4-15-99</u>	
DATE EFF <u>7-1-94</u>	
HCFA 179 <u>94-33</u>	

TN# 94-33 Approval Date 4-15-99 Effective Date 7-1-94
Supersedes
TN# 94-11

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 1, Page 10 k(1)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234

Medical and Remedial
Care and Services
Item 1 (cont'd.)

4. Determination of Payments

For initial implementation year FFY 1994 (October 1, 1993 - September 30, 1994):

Qualify - based on cost reports filed as of March 31, 1994.

Eligibility determined - on April 1, 1994

Payment amounts determined - April, 1994

Payment formula -

Medicaid per diem equivalent:

Base per diem as of March 1, 1994

Plus: Medicaid days DSH pool per diem amount established in April 1994

Multiplied by: Indigent care days for State fiscal year ending June 30, 1993.

Payment period - 4/1/94 through 6/30/94

For FFY 1995 (October 1, 1994 - September 30, 1995):

Qualify - based on cost reports filed as of March 31, 1995.

Eligibility determined - on April 1, 1995

Payment amounts determined - April, 1995

Payment formula -

Medicaid per diem equivalent

Base per diem as of July 1, 1995

Plus: Medicaid days DSH pool per diem amount established in April 1995

Multiplied by: Indigent care days for State fiscal year ending June 30, 1994.

Payment period - 4/1/95 through 6/30/95

FFYs 1996 and beyond will follow the same pattern as FFY 1995.

OFFICIAL FILE COPY

STATE	LA	A
DATE REC'D	4-4-94	
DATE APPV'D	6-12-98	
DATE EFF	2-1-94	
HCFA 179	94-11	

SUPERSEDES: TN - 93-06

TN# 94-11 Approval Date 6-12-98 Effective Date 2-1-94
Supersedes
TN# 93-06

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 1, Page 10 k(2)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234

Medical and Remedial
Care and Services
Item 1 (cont'd.)

5. Ineligibility

Hospitals/units which close or withdraw from the Medicaid Program shall become ineligible for further disproportionate share hospital indigent care payments.

6. Maximum Distribution

Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state payment cap for each federal fiscal year.

7. Over/Under Payments

No adjustments shall be made as the result of changes in the base Medicaid per diem or Medicaid disproportionate share pool per diem as established according to the Medicaid days disproportionate share pool in which the facility participates.

No additional payments shall be made if an increase in indigent days is determined.

Overpayments shall be recouped when audit of the cost report/pool data submitted results in the following adjustments:

- a. the hospital does not meet the disproportionate share qualification provisions in the approved State Plan;
- b. the number of indigent inpatient days is reduced from those originally reported.

OFFICIAL FILE COPY

STATE	<u>LA</u>	A
DATE REC'D	<u>4-4-94</u>	
DATE APPV'D	<u>6-12-98</u>	
DATE EFF	<u>2-1-94</u>	
HCFA 179	<u>94-11</u>	

SUPERSEDES: TN - 93-06

TN# 94-11 Approval Date 6-12-98 Effective Date 2-1-94
Supersedes
TN# 93-06

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A
Item 1, Page 10 k(3)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703
P.L.
102-234

Medical and Remedial
Care and Services
Item 1 (cont'd.)

8. Redistribution

Recoupments of overpayments because of reductions in pool days originally reported shall be redistributed to the hospital that has the largest number of inpatient days attributable to individuals entitled to benefits under the State Plan of any hospital in the State for the year in which the recoupment is applicable. To determine the hospital that has the largest number of Medicaid inpatient days, the fiscal year-end cost report that established the DSH payment for the year in which the recoupment is applicable will be used. The redistribution shall occur after audit and/or desk review of reported days. For purposes of the DSH allotment, the redistributed amounts shall apply to the original payment year in which the recoupment pertains.

9. Indigent Care Plan Criteria

The Department's Indigent Care Plan Criteria for recognition of indigent days in the Indigent Pool for additional disproportionate share payments are delineated below:

- a. The annual family income for patients qualifying for indigent care may not exceed 200% of the Federal Poverty Income Guidelines for the period of time in which the services were provided.
- b. The facility must advise the public of the availability of indigent care services and of its policies for qualifying patients for indigent care. The facility must post a written copy of its policy conspicuously in all patient treatment areas and the admissions area and must provide individual written notices to patients and/or their family members upon admission.

OFFICIAL FILE COPY

STATE	<u>LA</u>	<u>A</u>
DATE REC'D	<u>4-4-94</u>	
DATE APPV'D	<u>6-12-98</u>	
DATE EFF	<u>2-1-94</u>	
HCFA 179	<u>94-11</u>	

SUPERSEDES: TN - 93-06

TN# 94-11 Approval Date 6-12-98 Effective Date 2-1-94
Supersedes
TN# 93-06

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR

447.253

OBRA-90

P.L.

101-508

Sections

4702-4703

P.L.

102-234

Medical and Remedial

Care and Services

Item 1 (cont'd.)

- c. The facility must provide a form for individuals to apply for indigent care services upon admission to the facility. These forms must be maintained on file and be available for audit in accordance with all state and federal rules and regulations. The application must be signed by the applicant except for patients deemed mentally unstable by the physician and for whom access for interview has been restricted by physician's orders. The facility must supply auditors with the facility's procedures for verification of available payment sources for such patients. Documentation must be in the files to prove Medicaid eligibility resources have been exhausted (i.e. application denied) for recognition as an indigent care patient.
- d. The facility must make a determination of the patient's eligibility for indigent care services within two (2) working days after application, notify the patient promptly of the decision, and keep a copy on file for audit in accordance with state and federal rules and regulations. Income verification should be attempted via review of pay stubs, W-2 records, unemployment compensation book, or collateral contact with employer, etc. If income verification has not been completed within two (2) working days, the facility may condition the determination of eligibility on income verification. The facility may also condition the determination of indigent care eligibility on application for Medicaid eligibility. The conditional determination must be completed within two (2) working days of the request for indigent care.

OFFICIAL FILE COPY

STATE	LA	A
DATE REC'D	4-4-94	
DATE APP'VD	6-12-98	
DATE EFF	2-1-94	
HCFA 179	94-11	

SUPERSEDES: TN - 93-06

TN# 94-11 Approval Date 6-12-98 Effective Date 2-1-94
Supersedes
TN# 93-06